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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ADIRONDACK INSURANCE
EXCHANGE;
ALLSTATE COUNTY MUTUAL
INSURANCE COMPANY;
ALLSTATE FIRE AND CASUALTY
INSURANCE COMPANY;
ALLSTATE INDEMNITY
COMPANY;
ALLSTATE INSURANCE
COMPANY;
ALLSTATE NEW JERSEY
INSURANCE COMPANY;
ALLSTATE NEW JERSEY
PROPERTY AND CASUALTY
INSURANCE COMPANY;
ALLSTATE NORTHBROOK
INDEMNITY COMPANY;
ALLSTATE PROPERTY AND
CASUALTY INSURANCE
COMPANY;
CENTURY NATIONAL
INSURANCE COMPANY;
DIRECT GENERAL INSURANCE
COMPANY;
DIRECT GENERAL INSURANCE
COMPANY OF NEW JERSEY;
DIRECT INSURANCE COMPANY;
ENCOMPASS HOME AND AUTO
INSURANCE COMPANY;
ENCOMPASS INDEMNITY
COMPANY;
ENCOMPASS PROPERTY AND
CASUALTY INSURANCE
COMPANY OF NEW JERSEY;

Case No. 8:24-cv-01134-JWH-MRW
Case No. 8:24-cv-01139-JWH-AGR

**ORDER GRANTING PLAINTIFFS'
MOTIONS TO REMAND CASES
TO ORANGE COUNTY
SUPERIOR COURT**

ESURANCE INSURANCE
COMPANY;
ESURANCE INSURANCE
COMPANY OF NEW JERSEY;
ESURANCE PROPERTY AND
CASUALTY INSURANCE
COMPANY;
IMPERIAL FIRE AND CASUALTY
INSURANCE COMPANY;
INTEGON GENERAL INSURANCE
CORPORATION;
INTEGON INDEMNITY
CORPORATION;
INTEGON NATIONAL
INSURANCE COMPANY;
INTEGON PREFERRED
INSURANCE COMPANY;
MIC GENERAL INSURANCE
CORPORATION;
NATIONAL GENERAL
INSURANCE COMPANY;
NATIONAL GENERAL
INSURANCE ONLINE, INC.;
NEW SOUTH INSURANCE
COMPANY;
PERSONAL EXPRESS INSURANCE
SERVICES, INC.;
QBE INSURANCE CORPORATION;
SAFE AUTO INSURANCE
COMPANY; and
STANDARD PROPERTY AND
CASUALTY INSURANCE
COMPANY,

Plaintiffs,

v.

KIA CORPORATION,
HYUNDAI MOTOR AMERICA,
HYUNDAI MOTOR COMPANY, and
KIA AMERICA, INC.,

Defendants.

NEW JERSEY MANUFACTURERS
INSURANCE COMPANY,

Plaintiff,

v.

HYUNDAI MOTOR AMERICA,
HYUNDAI MOTOR COMPANY,
KIA AMERICA, INC., and

KIA CORPORATION,
Defendants.

1 Before the Court are the two nearly identical motions¹ filed by Plaintiffs in
2 the above-captioned related cases² to remand these actions to Orange County
3 Superior Court. Defendants Hyundai Motor America; Hyundai Motor
4 Company; Kia America, Inc.; and Kia Corporation—the same Defendants in
5 each case—removed each case from Orange County Superior Court to this
6 Court pursuant to the doctrine of “snap removal,” which requires some
7 explanation.

8 After a plaintiff files a case in state court, a defendant may remove that
9 case to federal court pursuant to, among other jurisdictional doctrines, diversity
10 jurisdiction. *See* 28 U.S.C. § 1332 (stating that district courts “have original

11 ¹ *See* Mot. to Remand [ECF No. 18 in Case No. 8:24-cv-01134-JWH-MRW
12 (the “*Adirondack Case*”)]; Mot. to Remand [ECF No. 19 in Case
13 No. 8:24-cv-01139-JWH-AGR (the “*New Jersey Manufacturers Case*”)] (jointly,
14 the “*Motions*”); *see also* Notice of Related Case(s) [ECF No. 4 in each case].

15 ² Plaintiffs in the *Adirondack Case* are Adirondack Insurance Exchange;
16 Allstate County Mutual Insurance Company; Allstate Fire And Casualty
17 Insurance Company; Allstate Indemnity Company; Allstate Insurance
18 Company; Allstate New Jersey Insurance Company; Allstate New Jersey
19 Property And Casualty Insurance Company; Allstate Northbrook Indemnity
20 Company; Allstate Property and Casualty Insurance Company; Centurynational
21 Insurance Company; Direct General Insurance Company; Direct General
22 Insurance Company of New Jersey; Direct Insurance Company; Encompass
23 Home and Auto Insurance Company; Encompass Indemnity Company;
24 Encompass Property and Casualty Insurance Company of New Jersey; Esurance
25 Insurance Company; Esurance Insurance Company of New Jersey; Esurance
26 Property and Casualty Insurance Company; Imperial Fire and Casualty
27 Insurance Company; Integon General Insurance Corporation; Integon
28 Indemnity Corporation; Integon National Insurance Company; Integon
Preferred Insurance Company; MIC General Insurance Corporation; National
General Insurance Company; National General Insurance Online, Inc.; New
South Insurance Company; Personal Express Insurance Services, Inc.; QBE
Insurance Corporation; Safe Auto Insurance Company; and Standard Property
and Casualty Insurance Company. Plaintiff in the *New Jersey Manufacturers*
Case is New Jersey Manufacturers Insurance Company.

1 jurisdiction of all civil actions where the matter in controversy exceeds the sum
2 or value of \$75,000, exclusive of interest and costs, and is between . . . citizens of
3 different states”). But, even if the parties are diverse, a defendant who is a
4 citizen of the state in which the action is filed may not remove that action to
5 federal court. *See* 28 U.S.C. § 1441(b); *Lively v. Wild Oats Markets, Inc.*, 456
6 F.3d 933, 939 (9th Cir. 2006) (“Separate and apart from the statute conferring
7 diversity jurisdiction, 28 U.S.C. § 1332, § 1441(b) confines removal on the basis
8 of diversity jurisdiction to instances where no defendant is a citizen of the forum
9 state.”). That limitation on a defendant’s right to remove a case is known as the
10 “forum defendant rule.” *Id.*

11 Some courts allow a defendant who is a citizen of the state in which the
12 case was filed to circumvent the forum defendant rule by removing the action to
13 federal court *before* that defendant is formally served—a process commonly
14 known as “snap removal.”³ This potential loophole exists because the statute
15 that establishes the forum defendant rule explicitly prohibits a non-diverse
16 defendant who has been “properly joined *and served*” from removing the case
17 based upon diversity jurisdiction. 28 U.S.C. § 1441(b)(2) (“A civil action
18 otherwise removable solely on the basis of the jurisdiction under section 1332(a)
19 of this title may not be removed if any of the parties in interest properly joined
20 *and served* as defendants is a citizen of the State in which such action is
21 brought.”) (emphasis added).

22 Here, Plaintiffs assert that the forum defendant rule bars removal of the
23 cases because Defendants Hyundai Motor America and Kia America, Inc. are
24 citizens of California; Plaintiffs argue that the Court should not accept snap
25 removal as a justification for skirting the forum defendant rule.⁴

27 ³ See Notice of Removal [ECF No. 1 in each case].

28 ⁴ See generally Motions.

1 A circuit split exists regarding the acceptability of snap removal, and to
2 date the Ninth Circuit has explicitly declined to rule on the issue. *See, e.g.,*
3 *Casola v. Dexcom, Inc.*, 98 F.4th 947, 964-65 (9th Cir. 2024) (explicitly not
4 resolving the issue in the Ninth Circuit but determining that a forum defendant
5 cannot remove the action before it is even filed in state court). In the absence of
6 binding authority, based upon its exhaustive review of recent caselaw, this Court
7 chooses to reject snap removal.⁵ Indeed, another court in this District recently
8 remanded four other cases that Defendants in this case list as related. *See Allied*
9 *Property and Casualty Insurance Company v. Hyundai Motor America; Alliance*
10

11 ⁵ In the following 16 cases, the Court rejected snap removal and remanded
12 the action: *Allied Property and Casualty Insurance Company et al v. Hyundai Motor*
13 *America et al, Alliance United Insurance Company et al v. Hyundai Motor America*
14 *et al, Erie Insurance Company et al v. Hyundai Motor America et al*, and *Country*
15 *Casualty Insurance Company et al v. Hyundai Motor America et al* (combined
16 cases), 2024 WL 3495340 (C.D. Cal. July 22, 2024); *Badger v. Inari Med., Inc.*,
17 2024 WL 3276202 (C.D. Cal. July 1, 2024); *Hershey v. Lab'y Corp. of Am.*
18 *Holdings*, 2024 WL 2958947 (C.D. Cal. June 11, 2024); *Ebadat v. Philly Auto Inc.*,
19 2024 WL 2732233 (C.D. Cal. May 28, 2024); *U.S. Bank Nat'l Ass'n v. Pac. Life*
20 *Ins. Co.*, 2023 WL 8890832 (C.D. Cal. Dec. 21, 2023); *Stevenson v. Apyx Med.*
21 *Corp.*, 2023 WL 6387307 (C.D. Cal. Sept. 29, 2023); *Parra v. Citizens Telecom*
22 *Servs. Co. LLC*, 2023 WL 5044925 (C.D. Cal. Aug. 7, 2023); *Menchaca v.*
23 *Howmet Aerospace, Inc.*, 2023 WL 2504995 (C.D. Cal. Mar. 14, 2023); *Guillen v.*
24 *Vie De France Yamazaki, Inc.*, 2022 WL 3211219 (C.D. Cal. Aug. 9, 2022); *Ross*
25 *v. United Airlines, Inc.*, 2022 WL 1302680 (C.D. Cal. Apr. 30, 2022); *La Bella v.*
26 *Bamboo IDE8 Ins. Servs.*, 2022 WL 1045968 (C.D. Cal. Apr. 7, 2022);
27 *Woolfenden v. Target Corp.*, 2021 WL 6618635 (C.D. Cal. Nov. 16, 2021); and
28 *Gralnik v. DXC Tech., Inc.*, 2021 WL 5203333 (C.D. Cal. Nov. 8, 2021). In the
following six cases, the Court accepted snap removal: *Zalvin v. Carrel*, 2024 WL
1121790 (C.D. Cal. Mar. 14, 2024); *Kornfeind v. Kia Am., Inc.*, 2023 WL 8456111
(C.D. Cal. Dec. 6, 2023); *Lawton v. Hyundai Motor Am., Inc.*, 2023 WL 8018100
(C.D. Cal. Nov. 20, 2023); *Harrison v. Sonesta Int'l Hotels Corp.*, 2023 WL
5351873 (C.D. Cal. Aug. 18, 2023); *Hong Kong Cont'l Trade Co. Ltd. v. Nat.*
Balance Pet Foods, Inc., 2023 WL 2664246 (C.D. Cal. Mar. 28, 2023); and *Choi v.*
Gen. Motors LLC, 2021 WL 4133735 (C.D. Cal. Sept. 9, 2021).

1 *United Insurance Company v. Hyundai Motor America*; *Erie Insurance Company v.*
2 *Hyundai Motor America*; and *Country Casualty Insurance Company v. Hyundai*
3 *Motor America* (combined cases), 2024 WL 3495340 (C.D. Cal. July 22, 2024).

4 Moreover, in the context of class actions, the Ninth Circuit appears to have
5 rejected the analog of snap removal under the Class Action Fairness Act. *See*
6 *generally Singh v. Am. Honda Fin. Corp.*, 925 F.3d 1053 (9th Cir. 2019).

7 Defendants invite the Court's attention to supplemental authority—
8 *Mayes v. Am. Hallmark Ins. Co. of Texas*, 2024 WL 3894306 (9th Cir. Aug. 22,
9 2024)—in support of their argument that this Court should deny Plaintiffs'
10 instant Motions and accept snap removal.⁶ Defendants contend that remand is
11 improper because in *Mayes*, the Ninth Circuit affirmed that a defendant may
12 remove a case when the defendant becomes aware of the complaint but has not
13 yet been served.⁷ *See id.* at *2-*3. But *Mayes* did not deal with snap removal
14 because the removing defendant, American Hallmark Insurance Company of
15 Texas, was diverse from the plaintiff, a resident of Oregon. *See Mayes v. Am.*
16 *Hallmark Ins. Co. of Texas*, 2021 WL 6127887, at *1 (D. Or. Nov. 15, 2021).
17 Therefore, *Mayes* does not alter the Court's conclusion with respect to the
18 impropriety of snap removal.

19 For the foregoing reasons, the Court hereby **ORDERS** as follows:

20 1. Plaintiffs' instant Motions to remand are **GRANTED**.
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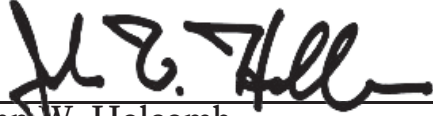
26 ⁶ Notice of Suppl. Authority [ECF No. 38 in the *Adirondack* Case and ECF
27 No. 39 in the *New Jersey Manufacturers* Case].

28 ⁷ *See generally id.*

2. These two actions are **REMANDED** to Orange County Superior Court.

IT IS SO ORDERED.

Dated: September 16, 2024



John W. Holcomb
UNITED STATES DISTRICT JUDGE